

THE SNOWDANCE CONDOMINIUM ASSOCIATION, INC.  
COVENANT AND RULE ENFORCEMENT POLICY

Effective Date: April 8, 2006

In compliance with the Colorado Common Interest Ownership Act, the Board of Managers desires to adopt a uniform and systematic policy to address covenant and rule enforcement.

The Association hereby adopts the following policies and procedures for covenant and rule enforcement:

1. Enforcement Procedure. The Board shall not impose fines unless and until the Association has sent or delivered written notice to the Owner and/or violator and provided an opportunity for a hearing as provided in the Resolution of House Rules Violations, as included in the Rules and Regulations adopted April 7, 2001, as may be amended from time to time.
2. Fine Schedule. Fines shall be as set forth in Article 11 of the Resolution referenced above. **Upon prior written notice, the Board reserves the right to levy fines in excess of the schedule, if the fines set forth in the schedule are not likely to provide effective incentives to induce compliance.**

The Board may waive all, or any portion, of the fines if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violator coming into compliance with the Declaration, Bylaws or rules.

3. Additional Enforcement Rights.

A. Legal Action. The Association, at any time, may pursue legal action against an Owner to enforce the provisions of the Declaration, Bylaws, rules or resolutions without first following the preceding notice and hearing procedures, if the Board determines that such action is in the Association's best interests.

B. Suspension of Rights to Use the Recreational Facilities. The rights of an Owner to use the recreational facilities may be automatically suspended if the Owner is in violation of the Declaration, Bylaws or rules or resolutions.

C. Suspension of Right to Vote. The right of an Owner to vote shall be automatically suspended if the Owner is in violation of the Declaration, Bylaws or rules or resolutions.

4. Failure to Enforce. Failure of the Association to enforce the Declaration, Bylaws, rules and resolutions will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any of the above referenced governing documents for the Association.

IN WITNESS WHEREOF, the undersigned certify that this Covenant and Rule Enforcement Policy was adopted by resolution of the Board of Managers of the Association on this 8<sup>th</sup> day of April, 2006.

THE SNOWDANCE CONDOMINIUM ASSOCIATION, INC., a  
Colorado nonprofit corporation,

By: William F. Brown, Jr.  
Its: President

ATTEST:  
By: J. Greg Moore